

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

EMBER LEE SHINN
MANAGING DIRECTOR
GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

December 10, 2013

The Honorable Ernest Y. Martin, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Martin and Councilmembers:

SUBJECT: Cost Items – Hawaii Fire Fighters Association,
Bargaining Unit 11

Pursuant to Section 89-11(g), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items (wage and non-wage cost item adjustments) as contained in the final and binding arbitration award for Bargaining Unit 11 dated November 30, 2013. The collective bargaining agreement is effective from July 1, 2011 through June 30, 2017.

According to Chapter 89, HRS, only cost items require Council action. Section 89-11(g), HRS, provides that,

"All items requiring any moneys for implementation shall be subject to appropriations by the appropriate legislative bodies and the employer shall submit all such items within ten days after the date on which the agreement is entered into as provided herein, to the appropriate legislative bodies."

Furthermore, in accordance with HRS Section, 89C-3(b)(2), managers excluded from Bargaining Unit 11 shall be provided adjustments that result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

Attached is a summary of the cost items for Bargaining Unit 11 included and excluded managerial employees.

2013 DEC -9 PM 2:54
CITY CLERK
& C OF HONOLULU

The Honorable Ernest Y. Martin, Chair
and Members
December 10, 2013
Page 2

Should you have any questions, please contact Carolee C. Kubo, Director of Human Resources, the City's designee for collective bargaining, at 768-8500.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Caldwell", with a stylized, wavy line extending from the end.

Kirk Caldwell
Mayor

Attachments

cc: Budget and Fiscal Services

**COLLECTIVE BARGAINING REPORT TO CITY COUNCIL
AGREEMENT FOR BARGAINING UNIT 11 INCLUDED AND EXCLUDED MANAGERIAL**

Negotiations

Negotiations with the Hawaii Fire Fighters Association (HFFA) began on October 6, 2010. The Hawaii Labor Relations Board declared impasse on February 1, 2011, and the parties selected Arbitrator Douglas Collins as the neutral arbitrator. Hearings were conducted from March 11, 2013 through March 15, 2013, in Kona, Hawaii, and on November 12, 2013, and November 13, 2013, in Honolulu, Hawaii. A final and binding decision on the Bargaining Unit 11 interest arbitration was rendered on November 30, 2013.

Positions Covered in the City and County of Honolulu (as of November 1, 2013)

Bargaining Unit	Included	Excluded	Total
11 – Firefighters	979	-0-	979

Duration

The Bargaining Unit 11 collective bargaining agreement is effective from July 1, 2011 through June 30, 2017.

Cost Items

The cost items resulting from the arbitration panel's decision are as follows:

Effective July 1, 2011 up to and including June 30, 2013:

No changes to the Bargaining Unit 11 collective bargaining agreement.

Effective July 1, 2013:

Wages

Two percent (2%) across-the-board salary adjustment to the salary schedule.

Effective January 1, 2014:

Wages

1. Two percent (2%) across-the-board salary adjustment to the salary schedule.
2. Addition of a new maximum step L5 (25 years of service) to the salary schedule.
3. Employees on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the appropriate step in their salary range on January 1, 2014.
4. Catch-Up Step Movements: Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the next higher step in their salary range on the employees' service anniversary date.

5. Service Step Movements: Employees who complete the cumulative years of service required for the next higher step in the pay range will move to such step on the employees' service anniversary date, provided that the employee did not receive a catch-up step movement.
6. All other employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the employees' cumulative service corresponds with the next higher step on the salary schedule.

Effective July 1, 2014:Wages

1. Two percent (2%) across-the-board salary adjustment to the salary schedule.
2. Catch-Up Step Movements: Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the next higher step in their salary range on the employees' service anniversary date.
3. Service Step Movements: Employees who complete the cumulative years of service required for the next higher step in the pay range will move to such step on the employees' service anniversary date, provided that the employee did not receive a catch-up step movement.
4. All other employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the employees' cumulative service corresponds with the next higher step on the salary schedule.
5. Employees with 25 or more years of service whose salaries are below Step L5 of the employees' salary range shall be placed on Step L5 of the employees' salary range on the employees' service anniversary dates.

Rank-for-Rank Recall

Eligible fire fighters shall be offered 12 overtime shifts per fiscal year via the Rank-for-Rank Recall program.

Temporary Change in Station Pay

An Employee who is temporarily assigned to report to a fire station other than their permanent fire station shall receive a temporary change of station pay as follows:

- A. Fifty dollars per twenty-four hour work shift or for a partial work shift if an employee is required by the Fire Chief or designee to pack up and transport their personal living items for overnight relief.
- B. Fifty dollars for up to three consecutive twenty-four hour work shifts, and every additional three consecutive work shifts thereafter, at the same temporary location if the employee is provided a securable locker space to house his or her personal items and department equipment.

Effective January 1, 2015:**Wages**

1. Two percent (2%) across-the-board salary adjustment to the salary schedule.
2. Catch-Up Step Movements: Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the next higher step in their salary range on the employees' service anniversary date.
3. Service Step Movements: Employees who complete the cumulative years of service required for the next higher step in the pay range will move to such step on the employees' service anniversary date, provided that the employee did not receive a catch-up step movement.
4. All other employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the employees' cumulative service corresponds with the next higher step on the salary schedule.
5. Employees with 25 or more years of service whose salaries are below Step L5 of the employees' salary range shall be placed on Step L5 of the employees' salary range on the employees' service anniversary dates.
6. Employees shall receive no more than one step movement between July 1, 2014 and June 30, 2015.

Effective July 1, 2015:**Wages**

1. Two percent (2%) across-the-board salary adjustment to the salary schedule.
2. Catch-Up Step Movements: Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the next higher step in their salary range on the employees' service anniversary date.
3. Service Step Movements: Employees who complete the cumulative years of service required for the next higher step in the pay range will move to such step on the employees' service anniversary date, provided that the employee did not receive a catch-up step movement.
4. All other employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the employees' cumulative service corresponds with the next higher step on the salary schedule.
5. Employees with 25 or more years of service whose salaries are below Step L5 of the employees' salary range shall be placed on Step L5 of the employees' salary range on the employees' service anniversary dates.

Effective January 1, 2016:Wages

1. Two percent (2%) across-the-board salary adjustment to the salary schedule.
2. Catch-Up Step Movements: Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the next higher step in their salary range on the employees' service anniversary date.
3. Service Step Movements: Employees who complete the cumulative years of service required for the next higher step in the pay range will move to such step on the employees' service anniversary date, provided that the employee did not receive a catch-up step movement.
4. All other employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the employees' cumulative service corresponds with the next higher step on the salary schedule.
5. Employees with 25 or more years of service whose salaries are below Step L5 of the employees' salary range shall be placed on Step L5 of the employees' salary range on the employees' service anniversary dates.
6. Employees shall receive no more than one step movement between July 1, 2015 to June 30, 2016.

Effective July 1, 2016:Wages

1. Five percent (5%) across-the-board salary adjustment to the salary schedule.
2. Catch-Up Step Movements: Employees who are on a step or receiving a basic rate of pay lower than warranted by their cumulative years of service will move to the next higher step in their salary range on the employees' service anniversary date.
3. Service Step Movements: Employees who complete the cumulative years of service required for the next higher step in the pay range will move to such step on the employees' service anniversary date, provided that the employee did not receive a catch-up step movement.
4. All other employees who are on or beyond their appropriate step based on their cumulative years of service shall remain at their respective step or rate until such time as the employees' cumulative service corresponds with the next higher step on the salary schedule.
5. Employees with 25 or more years of service whose salaries are below Step L5 of the employees' salary range shall be placed on Step L5 of the employees' salary range on the employees' service anniversary dates.

Excluded Managerial

In accordance with HRS Section 89C-3(b)(2), managers excluded from Bargaining Unit 11 shall be provided adjustments that result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction.

Excluded Managerial Positions in the City and County of Honolulu (as of November 1, 2013)

Bargaining Unit	Total
EM – Excluded Managerial	23

The following chart summarizes the City's estimated salary costs for the six-year contract period:

SALARY COSTS FOR BARGAINING UNIT 11 AND EM					
	FY14	FY15	FY16	FY17	TOTAL FY14-17
Wage*	\$3,576,556	\$11,649,882**	\$17,603,652**	\$25,946,673**	\$58,776,763
Temporary Change in Station Pay	-0-	\$383,000	\$383,000	\$383,000	\$1,149,000
Rank-for-Rank Recall	-0-	\$8,893,809	\$9,424,348	\$10,080,873	\$28,399,030
Total	\$3,576,556	\$20,926,691	\$27,411,000	\$36,410,546	\$88,324,793

* Includes wage-related fringe benefits.

**Includes rollover from previous year

Employer-Union Health Benefits Trust Fund (EUTF)

Effective July 1, 2013, the Employer will pay specific monthly contributions, which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for the Trust Fund health benefit plans and 100% of the premiums and fees for the Life Insurance plan.

Effective July 1, 2014, the Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all plans, except the life insurance plan (for which the Employer shall pay 100% of the premium and fees) and the PPO and HMO plans. The Employer will pay a specific dollar amount for the PPO and HMO plans. The dollar amounts the Employer will pay will be the 2013-2014 Employer Contribution rates plus an increase of \$10, \$20, or \$30, for the self-only, two-party, and family rates, respectively.

For fiscal years 2016 and 2017, the parties have the option to reopen this section to determine the Employer's contribution. If an agreement covering period(s) beginning July 1, 2015 to June 30, 2017, is not executed by June 30, 2015, employer contributions to the Trust Fund shall be the same monthly contribution amounts paid in the plan year 2014-2015 for the Health Benefit Plan approved by the Trust Fund including monthly administrative fees.

The total Employer's contribution regarding EUTF is as follows:

FY 2014	FY 2015	FY 2016	FY 2017
\$5,904,657	\$6,188,096	-	-